

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4857-01
Bill No.: HB 1698
Subject: Education – Elementary and Secondary; Licenses – Driver’s; Revenue Dept.
Type: Original
Date: April 27, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway	(\$32,724)	\$34,562	\$35,645
Total Estimated Net Effect on <u>Other</u> State Funds	(\$32,724)	\$34,562	\$35,645

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$13,805	\$17,052	\$17,560

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Elementary and Secondary Education (DESE), Department of Public Safety – Missouri State Highway Patrol, Office of Prosecution Services, Office of State Courts Administrator, and State Public Defender’s Office** assume this proposal would have minimal or no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR) – Division of Motor Vehicle and Drivers Bureau (DVSB)** did not respond to Oversight’s request for fiscal impact. However, in response to substantially similar legislation, DOR officials anticipate this proposal would have fiscal impact on their agency. Based upon enrollment and high school withdrawal statistics provided by DESE, DOR assumes in FY05 (10 months) a total of 6,130 school withdrawals, 50% of which will comply prior to suspension. Of the other 50%, DOR assumes 90% will apply for reinstatement. This will necessitate a half-time Clerk Typist II to process the workload. Additionally in FY05, required correspondence created by this legislation for suspension and reinstatement notice (and the necessary postage) will cost \$4,469. DOR adjusts the total school withdrawals upward 3% in FY06 and FY07 to calculate the corresponding costs in those years.

Additional revenue will be generated as a result of the \$20 reinstatement fee to be paid by reinstatement applicants. DOR assumes 2,759 reinstatements in FY05, 3,410 reinstatements in

ASSUMPTION (continued)

FY06, and 3,512 reinstatements in FY07. Of this revenue, 75% is dedicated to the Highway Fund, 15% to counties, and 10% to cities.

This legislation will require changes and testing for the Over the Counter (OTC) driver license issuance system. Additionally, changes and testing will be required for the systems that support the OTC system, such as the Missouri Driver License (MODL) system, the Central Driver License Information System (CDIS), and the Missouri Taxation and Accounting System (MTAS).

For FY05, 480 hours of MODL/CDIS programming at an overtime rate of \$25 per hour and 960 hours of MODL/CDIS programming at an overtime rate of \$23 per hour will be required. Also required in FY 05 will be 100 hours of contracted OTC programming at a rate \$100 per hour and 720 hours of testing at an overtime rate of \$23 per hour.

This legislation would also require changes to the Missouri Driver Guide, the Uniform License Issuance Manual (ULIM), and the DOR web site, but DOR indicates that those changes could be made using existing resources.

FY 05

Reinstatement fee revenue	\$55,190
Salaries—Clerk Typist II (half-time)	(\$9,000)
Postage	(\$4,469)
Overtime—systems programming/testing	(\$50,640)
Contracted programming	<u>(\$10,000)</u>
Total	(\$18,919)

FY 06

Reinstatement fee revenue	\$68,207
Salaries—Clerk Typist II (half-time)	(\$11,069)
Postage	<u>(\$5,524)</u>
Total	\$51,614

FY 07

Reinstatement fee revenue	\$70,240
Salaries—Clerk Typist II (half-time)	(\$11,346)
Postage	<u>(\$5,689)</u>
Total	\$53,205

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
HIGHWAY FUND			
<u>Income—Department of Revenue</u>			
Reinstatement fees	\$41,385	\$51,155	\$52,680
<u>Cost—Department of Revenue</u>			
Forms and postage	(\$4,469)	(\$5,524)	(\$5,689)
Salaries and wages	(\$59,640)	(\$11,069)	(\$11,346)
Contracted services	<u>(\$10,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost—DOR</u>	<u>(\$74,109)</u>	<u>(\$16,593)</u>	<u>(\$17,035)</u>
NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$32,724)</u>	<u>\$34,562</u>	<u>\$35,645</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2005 (10 Mo.)	 FY 2006	 FY 2007
<u>Income—Cities</u>			
Reinstatement fees	\$5,528	\$6,821	\$7,024
<u>Income—Counties</u>			
Reinstatement fees	\$8,277	\$10,231	\$10,536
NET ESTIMATED EFFECT ON LOCAL FUNDS	<u>\$13,805</u>	<u>\$17,052</u>	<u>\$17,560</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This legislation stipulates that driver's license applicants under age 18 must show high school enrollment, attendance rate greater than 85%, and a minimum GPA of 1.75 or satisfactory progress in an alternative education program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Public Safety – Missouri State Highway Patrol
Department of Revenue – Division of Motor Vehicle and Drivers Bureau (DVSB)
Office of Prosecution Services
Office of State Courts Administrator
State Public Defender's Office



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April 27, 2004